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# Red Balloon Educational Trust

## Annual Report 2023/24



“

I spent the best part of two school years out of education before I found Red Balloon. I started at Red Balloon at the end of year 10, terrified for my future and convinced I would end up as nothing. Instead, they showed me something I hadn't seen before. True compassion.

They took the broken pieces of me and didn't try to fix it for me, but helped me realise I could do that myself. There are no divisions between staff and student, it's a truly collaborative environment for education and growth and, as corny as it sounds – it was like a family.

”

**Red Balloon Alumna**



Many young people struggle in the classroom because of trauma, bullying or ESBA (emotional-based school avoidance). Red Balloon helps young people re-engage with education in a way that is comfortable for them. We help build the confidence they need to get back on track academically and socially.





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# Introduction from the Chair

The 2023-2024 academic year has marked a period of meaningful growth and strategic transformation for Red Balloon Educational Trust.

Most significantly, we were proud to open our newest Centre, Red Balloon Educational Trust - Norfolk, expanding our reach and enabling us to serve more young people in need of our recovery programme. With wonderful local and donor support we refurbished and updated our Earlham Road building, grew our staff team and passed Ofsted registration to open in January 2024. This milestone reflects our ongoing commitment to increasing the number of safe, nurturing spaces where children can rebuild their confidence, re-engage with learning, and thrive. You can read more about our newest Centre on page 10.

To support our continued expansion, we undertook a major restructuring of our central team. This included streamlining our operations to become more agile and efficient, enabling us to focus more effectively on opening new Centres. As part of this process, we outsourced our IT and HR functions, and brought in two part-time educational consultants whose expertise is helping to shape the future of our programmes.



Throughout the year, we also laid the groundwork for the opening of a new Centre in Aylesbury—an exciting development that will further extend our impact in the year ahead. As you read this report, we hope you'll share in our pride at what has been accomplished and our optimism for the future. Together, we are making a lasting difference in the lives of the young people who need us most.

With warm regards,

**Carrie Herbert**  
Founder and Chair of Trustees

# About Red Balloon

Red Balloon provides a safe and nurturing space for young people aged 11-18 who cannot attend mainstream schools due to social, emotional, or mental health challenges, trauma, or unmet special educational needs. These students often face prolonged periods away from education, missing out on crucial opportunities and experiences. As isolation grows, their confidence diminishes, putting them at risk of falling through the gaps in both educational and mental health systems, which can make the transition to adulthood even more daunting.

Thanks to the incredible generosity of our donors and volunteers, Red Balloon offers a holistic educational programme tailored to each student's unique needs. Our approach blends social re-engagement, academic learning and wellbeing support, helping young people rebuild their confidence and rediscover their self-worth. They find joy in learning again and gain the tools they need to move forward. No matter if they are returning to mainstream education, pursuing further education or training, or starting employment, our young people are ready to thrive.

As far as we are from the aftermath of the pandemic, Red Balloon's mission is still more vital than ever. With nearly 100,000 children missing from schools (Centre for Social Justice, Lost but not Forgotten, 2022), we are working closely with commissioners and donors to address this urgent issue and ensure that every young person has access to the education and support they deserve.

# About Red Balloon Educational Trust

Red Balloon Educational Trust operates the Red Balloon of the Air provision (since Oct 21), Red Balloon Worthing (opened Sept 22), and RBET-Norfolk (opened Jan 24) as well as continuing to act as the coordinating and service centre for the other four physical Centres. These four Centres are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement. The Red Balloon of the Air provision also operated through a separately registered charity and company limited by guarantee until Oct 21.

# Our year at a glance

Our students achieve amazing things. Of the students who took GCSE exams and other qualifications in the 2023-24 year:

**100% achieved grades 4-9 in English Literature**

**70% pass rate in Biology**

This year, we supported:

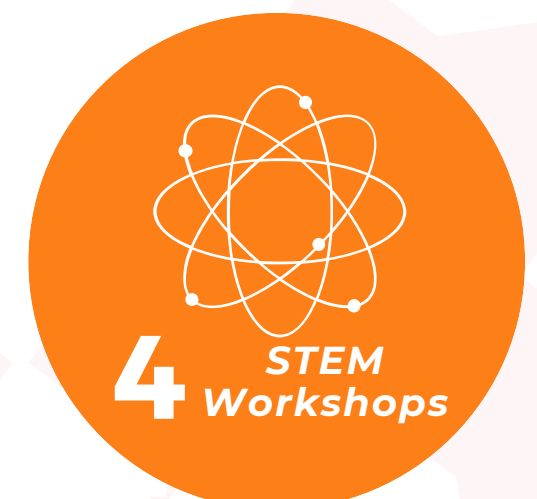


**117**  
children  
total

This year, our students achieved:

**74%**  
attendance  
across all  
Centres

This year, we provided:





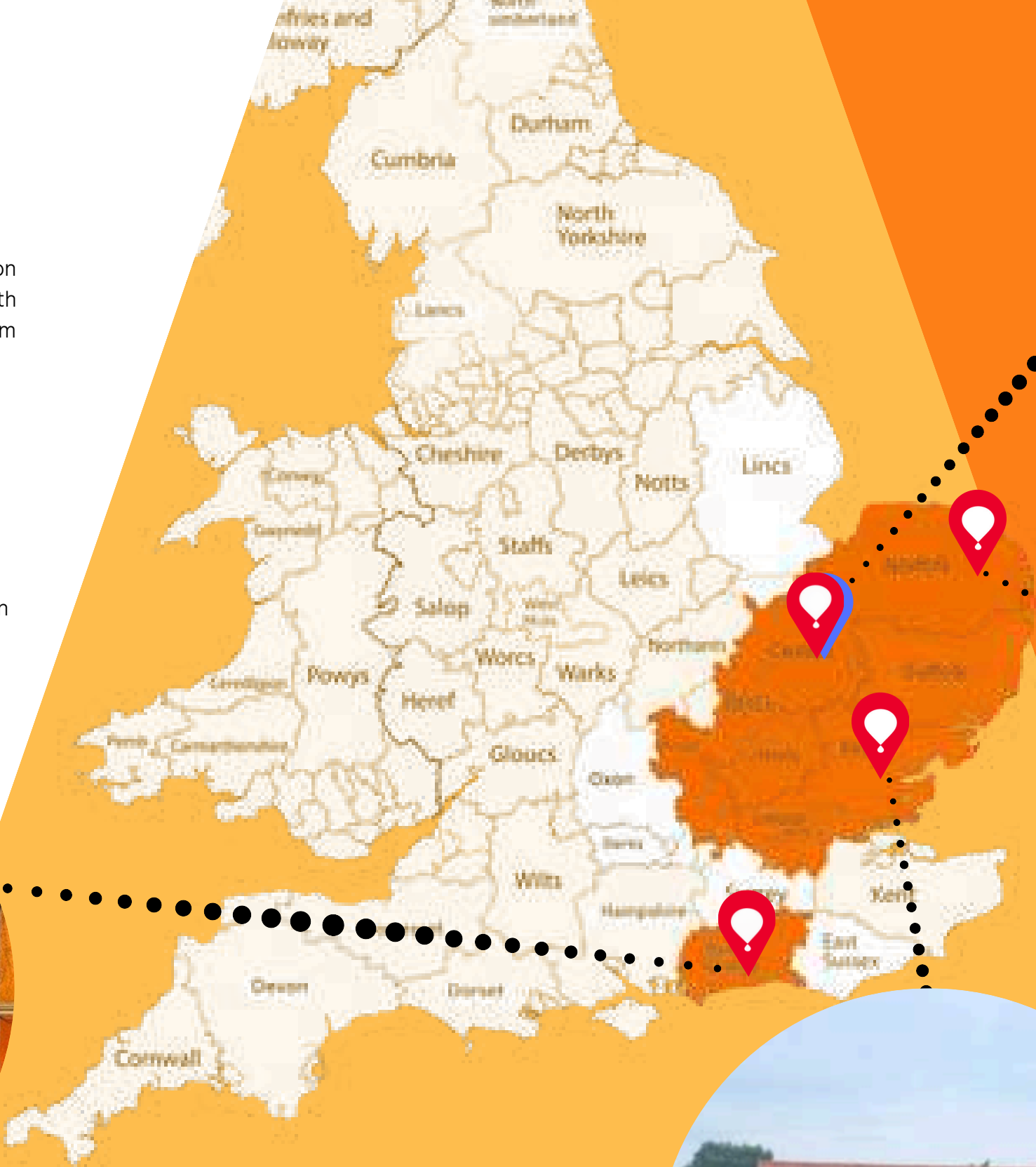
# Our locations



Our RBET headquarters, based at Willow Lodge in Milton on the outskirts of Cambridge, is home to the blended online and face-to-face provision, Red Balloon of the Air, but covering various different counties, with several face-to-face hubs. RBET's Central Services team is also based at Willow Lodge.

RBET also has a Learning Hub based in Danbury, supporting young people on RBAir in Essex.

In September 2023 we opened our Worthing Centre, which supports students in the West Sussex area.

In January 2024 RBET opened a new physical Centre in Norwich (RBET-Norfolk) to support young people across Norfolk.



-  RBET Centres and learning hubs
  -  Red Balloon of the Air main office
- Red Balloon Educational Trust supports students across the counties highlighted above.

# New Centre: Red Balloon Educational Trust Norfolk

At the beginning of 2024 we opened Red Balloon Educational Trust – Norfolk (RBET - Norfolk), our second physical Centre under the Red Balloon Educational Trust umbrella.

RBET – Norfolk serves up to 20 young people attending in person and on a full-time basis.

In 2022, the Earlham Road building in Norwich that Red Balloon Educational Trust owned became vacant. Simultaneously we were finding that the demand in the area for a programme like Red Balloon was especially high – higher than was practical for our sister Centre, Red Balloon Norwich, to serve alone. In March of 2023 we began working to refresh the building and bring it up to new safety and accessibility standards. This would allow us to re-open as Red Balloon Educational Trust - Norfolk. In preparation for opening, we received so much support from the local community with wonderful volunteers and donors helping us to refurbish and equip the space with all the tools our young people would need in their journey back into education.

In the few months since RBET – Norfolk has been open, the Centre has enabled more children to get the life-changing support they need and deserve. It means more children in Norfolk can begin to improve their mental health, be part of compassionate communities, get tailored educational support and build their lives back.

With 15 students on roll before the end of the summer term and a wonderful staff team, the Centre is feeling like a home away from home. We've started a mural, gone hunting for Easter eggs, picked out books for our library and had our first four-legged visitor! We're excited for what the future holds for RBET – Norfolk as we continue to grow and provide a safe, nurturing environment where our young people can recover and go on to thrive.

*RBET – Norfolk has received amazing support from donors who have helped us refurbish the building and purchase essential equipment and learning resources like tables, books and IT equipment.*

Our beautiful Centre is located on Earlham Road, just a 10-minute drive from Norwich City Centre.







## Our values, ethos and practice

Red Balloon Learner Centres were established for the recovery of severely bullied, traumatised or highly anxious children and young people who are missing education.

The students are typically those who self-excluded and had been out of school for some time, in some cases years. They have lost their confidence in learning, making friends, their trust in adults and the education system. The Recovery Programme that was developed has three components: a robust and negotiated curriculum, an integrated therapy and creative arts programme, and local community activities.

The breakdown of these three areas is based on the learners' needs. Often when they first arrive it is important to create a safe space, so therapy, community activities and the creative arts provide the opportunity to build confidence before academic learning can begin.

### Students are given support to:

- **rebuild their self-esteem and grow as individuals**
- **develop resilience and a positive self-image**
- **build the necessary learning skills to succeed when they return to school, move on to further education or enter the world of work.**

Step into any of our Centres and you will feel warmth and an air of supportive companionship, with small groups of students engaged in creative activity and serious learning. Children thrive thanks to the three core components of our programme - wellbeing, community and education - which provide them with holistic support. You can read more about each of our components in later pages.

### To maintain our supportive learning communities we ensure that we:

- **treat our students with respect and kindness, using restorative approaches**
- **listen to our students and respond to their concerns**
- **establish communities to which our students and staff feel they belong and to which they contribute**
- **design individualised, negotiated educational and wellbeing plans to enable students to meet their goals**
- **combine academic study with social and emotional recovery programmes**
- **encourage creativity at all levels.**



# Wellbeing

***Mental health and emotional wellbeing are essential to being a happy and healthy individual, not only important in their own right they also form the foundations to enable us to thrive and to succeed.***

“

The people at Red Balloon really care about us students.

”

Every young person should have access to provision that nurtures their wellbeing and self-confidence.

At Red Balloon, wellbeing support is at the heart of what we do. We understand that not all young people thrive in mainstream education. Challenges like bullying, trauma, mental health struggles, emotional-based school avoidance and insufficient support can make traditional school settings inaccessible. That's why we focus on prioritising wellbeing for every student.

Working hand-in-hand with licensed therapists, we help young people rebuild their confidence and rediscover their self-worth. This support isn't just an add-on. It's an integral part of each student's routine. By embedding this support into their schedules, we aim to nurture their emotional recovery and pave the way for success.

Beyond therapy, we offer a range of wellbeing activities designed to recharge and inspire. From non-competitive sports to yoga and meditation, these activities encourage young people to step out of their comfort zones and explore new ways to connect with themselves and others.

Our mentors play a pivotal role in each young person's journey. For students too anxious to attend in-person sessions, mentors provide one-on-one support at home to help them develop the confidence and skills needed to engage with the world around them. Acting as trusted guides, mentors support young people in achieving their personal goals and continue to offer guidance as they continue their educational journey.

We firmly believe the wellbeing is the cornerstone of learning, growth and success. By placing mental health and emotional recovery at the forefront, we empower our students to overcome challenges and unlock their potential.

## Education

*Lessons that cater to each student's passions and abilities to help spark a love of learning once more.*

“

I wouldn't have had a voice if it weren't for Red Balloon.

”

Every young person at Red Balloon is unique. When we empower them to follow their individual interests and provide the personalised support they need, they can truly thrive.

Returning to education after a long break can be tough - both mentally and academically. That's why it's essential to create a learning environment that is enjoyable, engaging and free from shame. By using a negotiated curriculum, we meet students at their current level and incorporate their interests into their learning. We talk to them about their goals and learning preferences, then work together to develop a tailored programme. This helps build academic and critical thinking skills while boosting confidence, sparking curiosity, and making learning something to look forward to.

To support students as they ease back into education, many begin with one-on-one sessions with their teacher. These sessions help build trust, and once students feel more at ease they can join small groups. This gradual approach lets them work at their own pace, ask questions freely and collaborate without feeling overwhelmed.

For students who've had difficult school experiences or have sensory sensitivities, traditional school environments can be intimidating. That's why our Centres and Learning Hubs are designed to feel like home. Located in converted houses, these spaces offer soft seating, cozy nooks and quiet areas for breaks when things get too much. Instead of uniforms, students wear clothes that make them feel comfortable and reflect their identity. Staff are called by their first names, and every day includes a shared, home-cooked lunch where students and staff connect and talk about the day ahead.

Students have access to core subjects like English, Maths, Sciences, Humanities, and PSHEE (Personal, Social, Health and Economic Education). Additional subjects vary by Centre based on student interests, with popular options including Psychology, Animal Care, and Art. If a student has a specific passion or is working toward a qualification, we do everything we can to support that. There are also extracurricular opportunities like trips and clubs to enrich the learning experience.



## Social re-engagement

**Helping our young people develop their social skills and rejoin communities**

“

What I value at Red Balloon is that everyone accepts each other for our uniqueness.

”

We want our young people to develop a sense of belonging, form sincere and meaningful relationships, and feel comfortable interacting with the outside world.

The children that come to Red Balloon have been unable to meaningfully engage with school for many weeks, months or even years. During this time, it's not just their education that suffers. Without the routine and community of school, many become increasingly isolated and miss out on developing friendships, social and life skills. They have often had very negative experiences in school such as severe bullying or a lack of appropriate support which has led them to have few if any friends and a deep distrust in the people and systems around them. Everyday conversations, asking for help and being part of a team feel like big insurmountable challenges.

At Red Balloon we help our young people build their skills and confidence in speaking to others, asking for help and being part of a strong and positive community. We help them to navigate everyday places and interactions like the supermarket, public transport or making phone calls. Each young person starts in a different place, and we meet them where they're at. We take gradual steps so they feel supported and their progress is sustainable and long-term. For some young people, this might mean working up to leaving the house and having 1:1 sessions with their teachers. As they become more confident, they may feel comfortable joining a small group lesson and then a small social session.

Some young people arrive already feeling confident in group sessions and work towards co-organising group trips to local museums, parks and other attractions or taking on supported volunteering.

As students grow socially, academically and in other ways, they may be ready to move on from Red Balloon. For many this transition to a new school, a new training programme or perhaps into employment can be difficult. We might help students prepare for this transition by practising conversations they're likely to have, going over their new route to college ahead of time or helping them to identify the people and support services who can help them if they have questions or need assistance. Social re-engagement can be a slow and sometimes challenging process for our young people but seeing the shift as they begin to trust the adults around them, form new friendships with their peers and re-engage with the world is remarkable. The skills and courage they develop at Red Balloon will serve them throughout their lives as they move through education, enter employment, build their own networks and communities and pursue the things that are important to them.

# Fundraising: a year of amazing support

We couldn't do what we do without our incredible supporters who have donated money, time and expertise to keep our Centres running and help us reach more young people in need of our provision. It is thanks to them that our young people are able to turn their lives around.

A very special thanks to our supporters below

- The Anne French Memorial Trust

Baring Foundation

Benefact Group

Bruce Wake Charitable Trust

Charles River, Chesterford Park

Christine Buccella

Cambridge Intelligence

Carpenter Box Charitable Foundation

David Soanes

Diarmuid Ó Séaghdha

Eastern Counties Educational Trust

Garfield Weston Foundation

Govia Thameslink Railway
- The Guvnors Club

Nic Humphries

Ingles & Hayday

The Ingles Charitable Trust

The Leri Charitable Trust

National Philanthropic Trust and The Eligator

Sansom Family Fund

Norwich Consolidated Charities

The PwC Pantomime

The Simon Gibson Charitable Trust

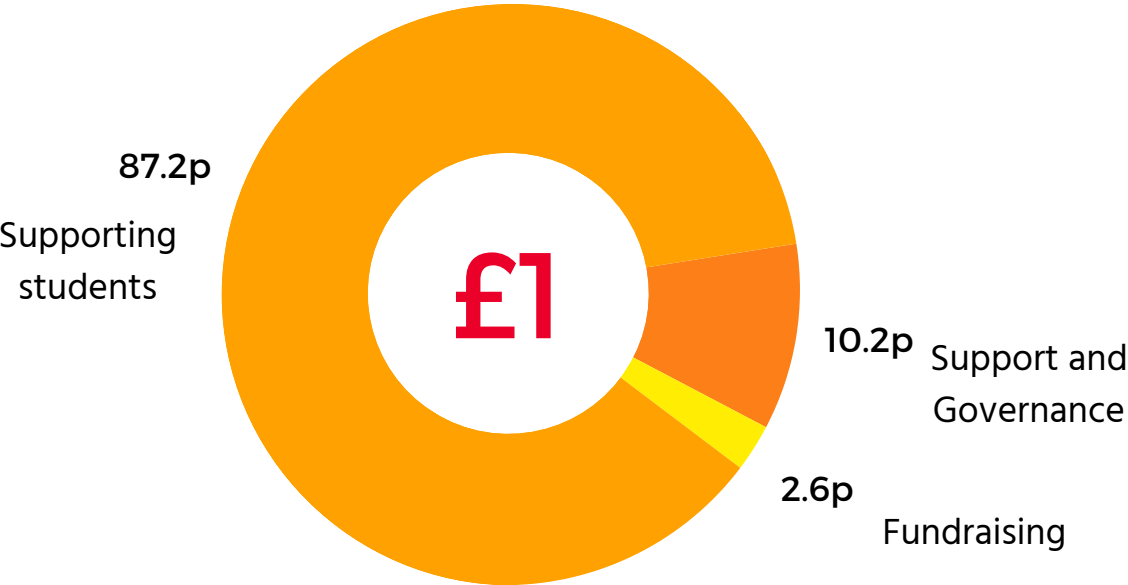
The St. James's Place Charitable Foundation

Tesco Community Grants

Roffey Homes

Rotary Cambridge

For every £1 Red Balloon Educational Trust spent in 2023/24, 87.2p went on direct costs supporting students.



We cannot operate effectively without good management and fundraising efforts.





## Supporter case study: Tim Ingles

Tim Ingles has supported Red Balloon for decades in many ways: as an individual, through his company and also through a family trust. With a passion for bringing music to those who would otherwise miss out, in the last six years alone he has donated over £30,000 to projects at Red Balloon and has helped over 119 young people explore and discover making, playing, listening to, and healing through music.

### ***Supporter Tim shares his story and his passion for bringing music to disadvantaged young people.***

I first heard about Red Balloon about 30 years ago – I was engaged to be married and my future mother-in-law's first cousin was Carrie Herbert, the founder of Red Balloon. I had met Carrie, whose reputation as a trailblazing campaigner for bullied children preceded her, and we got chatting.

I am the trustee of a family charitable trust set up by my father in the early 1970s, and Carrie and I discussed the possibility of the trust supporting Red Balloon. I mentioned it to my father, and it struck a chord with him, I think partly because my brother sometimes had a tough time at school. And so began a long association between our two families, not only through my marriage to Carrie's cousin (still going strong!) but between Red Balloon and the Ingles Trust.

In the late 90s I was training as an auctioneer at Sotheby's and Carrie occasionally invited me to Cambridge to take a fundraising auction for RB. I soon realised that keeping an audience of potential donors engaged and amused was much more challenging than my day job of auctioning violins and cellos to our customers, but the events were great fun, and have evolved over the years into events that have consistently raised tens of thousands of pounds.

The primary aims of the Ingles Trust are to help disadvantaged children and to support music

education, and these two aims sit very well with our ongoing support of music therapy and music education at various Red Balloon Centres. It is genuinely inspirational and moving to see children who are too terrified to go to school rebuilding their confidence through singing and playing music together, and gradually recovering sufficiently to return to mainstream education.

These days Red Balloon is supported not only by the Ingles Trust, but also by my company Ingles & Hayday, which was founded in 2012 when I left Sotheby's. And I have been lucky enough to take part in numerous Red Balloon fundraising golf days at Woburn, by some distance the poshest golf course I have ever played!

“Music has been the most significant influence in my life, both professional and personal. I feel privileged to be surrounded by beautiful music on a daily basis, and I am determined to give others less fortunate than myself the opportunity to experience the same.”



# Our plans for the future

Our strategic objectives for the next three years are to:

## Improve the way students are supported

- Open more Red Balloon Centres and offer more places at each Centre, using RBAir, to meet the needs of the growing number of severely bullied and highly anxious children and those with trauma-informed backgrounds who are unable and unwilling to attend mainstream school.
- Raise the standards at all Red Balloon Centres with regard to our educational, wellbeing and personal recovery programme. Ensure staff understand and apply Red Balloon's Philosophy and Practice and are at the forefront of best practice, offering first-class support to students.
- Provide opportunities for professional development through regular meetings with staff from each of our Centres to exchange best practice, discuss current trends in education and discuss relevant and challenging theories of learning.
- Continue to develop secure safeguarding systems, encouraging appropriate training for all staff and streamlining administrative processes and logistical tasks, thereby improving efficiency and reducing the time and costs associated with such work.

## Reach more isolated and vulnerable children

To meet the growing need, we shall expand Red Balloon provision so we can reach more bullied, anxious and traumatised children.

This past year we have achieved this goal by:

- opening a new Centre in Norfolk.

And we will continue to work towards this aim by:

- opening a further additional Centre in Aylesbury
- expanding our RBET Learning hub in Danbury and move it to Chelmsford
- continuing to support an increasing number of students on Red Balloon of the Air
- exploring ways to establish further Centres in areas where the need is greatest.

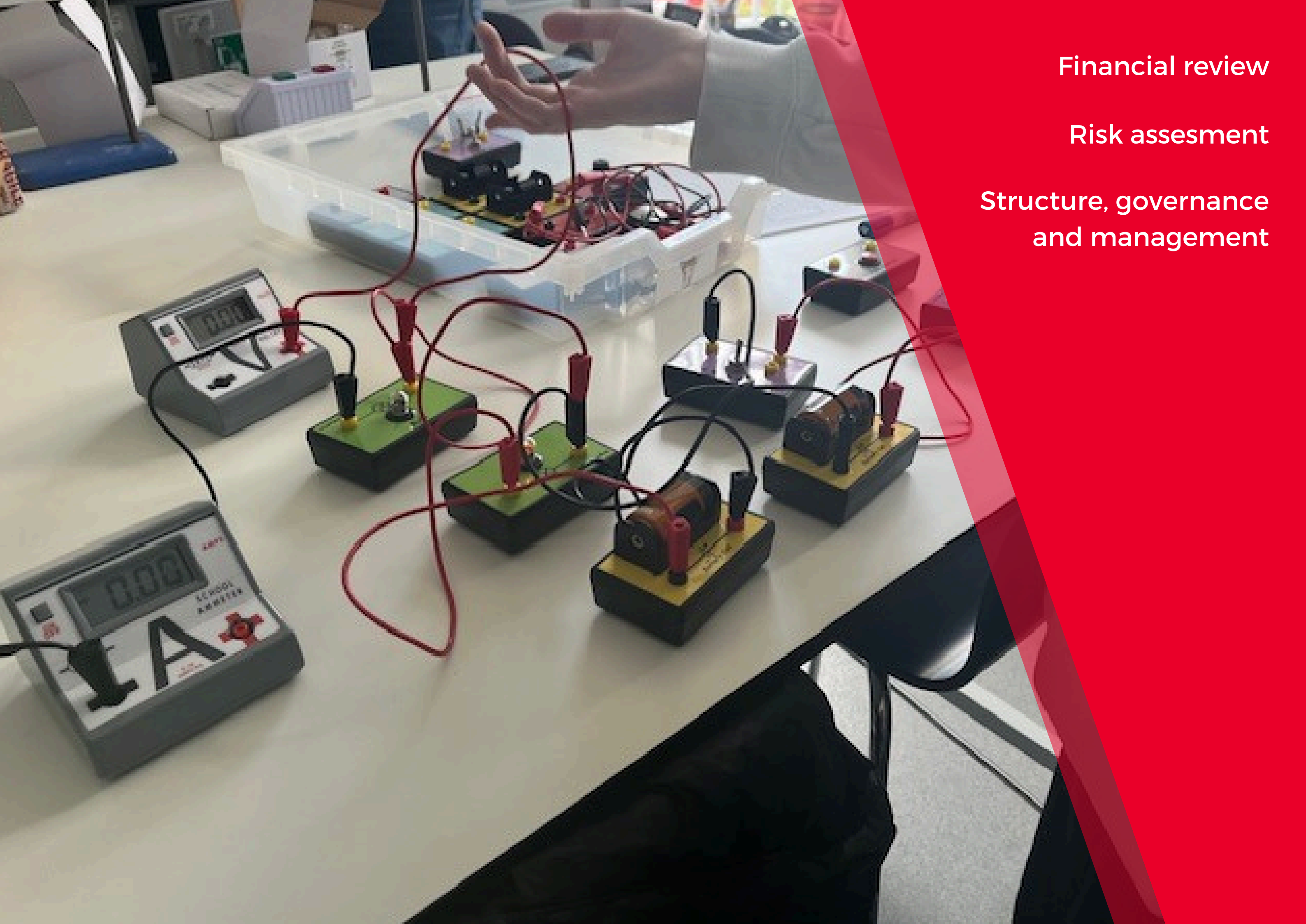
## Inspire more people to support our work

- We will diversify our funding sources to reflect the challenging fundraising landscape and to finance our growth plans.
- We will continue to develop our donor stewardship so that every one of our supporters has a positive experience, however they choose to support our work.
- We will establish relationships with new charitable trusts and individual donors.
- We will strengthen our national voice and influence regarding children missing from school because of bullying, anxiety and trauma.
- We will raise the attention of local authorities and other educational bodies to the importance of student wellbeing, particularly in regions which we have identified for growth.

## Manage our charity as effectively and efficiently as possible

- We will continue to open more Centres under the umbrella of Red Balloon Educational Trust.
- We will continue to review our procedures to ensure transparency, accountability, responsiveness and compliance with relevant regulations and legislation.
- We will continue to identify and manage major risks to our organisation.
- We will develop, implement and maintain a workforce plan that enables Red Balloon to recruit, motivate, train and retain staff with the skills and competencies required to meet needs now and in the future.
- We will continue to develop and implement a volunteer involvement programme to enrich students' Red Balloon experience.
- We will utilise appropriate existing and new technologies, particularly at RBAir, to enhance the ways that staff support students.





Financial review

Risk assesment

Structure, governance  
and management

## Financial review

Red Balloon Educational Trust (RBET) ('the Charity') operates Red Balloon's blended online and face-to-face provision, Red Balloon of the Air (RBAir Education Activity), since Oct 21, Red Balloon Worthing (RB-W), which opened in Sept 22, and Red Balloon Educational Trust – Norfolk (RBET-N), which opened in Jan 24. Prior to Oct 21, the RBAir Provision was operated through a separately registered charity and company limited by guarantee, Red Balloon of the Air ('RBAir Company'). In addition, RBET continues to act as the coordinating centre for a number of related Red Balloon Learner Centres in Cambridge, Norwich and Reading. These entities are separately registered charities and companies limited by guarantee, with the local trustees as their directors, and operate under the Red Balloon name by way of an association agreement.

On 12 October 2021, the operations, assets and liabilities of RBAir Company, except for those in relation to a lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust. In 2022-23 the lease was transferred to RBET, and in 2023-24 the final balances were transferred from the separate company, and are included in the results for the year ended 31 Aug 24. As the RBAir company is non-trading, consolidated accounts have not been prepared this year.

The Charity's net assets increased by £161k (2023: £283k) to £3,187k (2023: £3,026k) in the year. Income for the charity increased from £2,904k in 2022-23, to £3,328k in 2023-24, primarily due to the addition of the new Centre in Norfolk and high student numbers in Worthing throughout the year. Additionally, there was an increase of £81k in income from donations and grants, and an increase of £44k in investment income.

Costs increased by £546k (2023: £596k) to £3,167k (2023: £2,621k) owing to increased expenditure for the Norfolk Centre and, most significantly, an increase of £377k in staff costs across the organisation (2023: £667k) and £19k (2023: £nil) in recruitment. There were also increases of £33k (2023: £32k) in depreciation and amortisation charges; £8k (2023: £8k reduction) in bursaries awarded, and £19k increase (2023: £43k reduction) in support costs. These increases were partially offset by lower expenditure of £10k (2023: £16k increase) in repairs and maintenance, £6k (2023: £2k higher) in insurance.

## Investment policy and performance

During 2023-24, surplus funds were split between CAF Bank savings accounts and the CCLA COIF Charities Deposit Fund. The CAF Bank Savings accounts were paying interest at the end of the financial year of approximately 2.5% pa (2023: 2.5% pa), and the CCLA COIF Charities Deposit Fund was yielding a return of approximately 4.99%. The COIF Charities Deposit Fund, categorised as a short-term Low Volatility Net Asset Value Money Market Fund, was opened with CCLA in October 2023. There is no minimum holding period and it allows for withdrawals on any business day without having to pay a penalty. The trustees believe splitting surplus funds between the CAF Bank savings account, currently paying interest at 2.15% pa and the CCLA COIF Charities Deposit Fund, currently paying interest at approximately 4.54% pa, appropriately balances the need for ready access, good security and investment return.

## Reserves policy

The trustees aim to keep reserves in line with Charity Commission guidance, and having assessed the various risks to the Charity, believe it appropriate to maintain a minimum level of free reserves at three to six months of the forecasted future annual operating costs. Free reserves are calculated as unrestricted reserves less fixed assets excluding fixed asset investments, net of mortgages. At 31 August 2024, the Charity held free reserves of £1,235k (2023: £1,238k), equating to around 4.0 months (2023: 4.6 months), operating costs. The trustees of the Charity will review its reserves policy and continue to closely monitor the reserves position in the forthcoming year. Monies donated for a specific purpose are held as restricted reserves and separately tracked and accounted for (see financial statements and accompanying notes).

## Going concern

The RBAir Education Activity student numbers have remained at a lower level than in previous years, although still generated a surplus at departmental level. RB-Worthing has continued to operate steadily with high demand for the provision, resulting in a surplus in 2023-24, and expecting a further surplus in 2024-25. RBET-Norfolk had 15 students on roll by the end of the year and is forecasting a surplus for 2024-25. One-off costs associated with the restructure of the RBAir Education Activity, and the work on the new Centre in Aylesbury will have an impact on the finances in 2024-25, so a small loss is forecast for the year 2024-25, but a surplus is forecast for the following year. Following a detailed review of the Company's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

There were no significant events affecting the Charity's financial position during the year and the Charity's financial position at the end of the reporting period remained stable.



# Risk assessment

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that the appropriate actions, policies and procedures are in place to mitigate, but not totally eliminate, the exposure to the major risks. These are described below:

Major risks, and impact	Mitigating actions and responses
<b>Inadequate service provision</b> – students fail to improve and are unable to return to mainstream education or training.	Taster day for potential students to experience Red Balloon and agree to its operating principles. Individually negotiated curriculum for each student, and proper assessment of their needs. Recruitment of high-quality staff and counsellors who embrace Red Balloon’s way of operating. Regular assessment of student’s holistic progress; student feedback and discussion; adaptation of curriculum and approach as needed. Training for staff to keep up to date with subject material and regulations.
<b>Student safeguarding</b> – students harmed or self-harming.	Management will ensure staff members are conversant and compliant with safeguarding policies, and ensure their training is up-to-date. Appropriate de-escalation procedures are in place in the event of an incident. Health & safety risk assessment policies up-to-date and inspections carried out at appropriate intervals. Central monitoring of compliance at Learner Centres and RBAir.
<b>Changes in government policy or regulation</b> – adverse inspections of Learner Centres, and ability to deliver online provision through RBAir.	Monitoring of changes in regulation, policies and approach with government departments, regulators, commissioners and inspectorates, and adjusting Red Balloon policies, processes and provision as required. Monitoring the status of RBAir, and managing its online provision in line with all applicable regulations. Engagement with educators on support for bullied, traumatised or highly anxious children.
<b>Financial insolvency</b> – inadequate funding to cover expenditure	Focused fundraising by a dedicated development team; setting fees at an appropriate level; marketing of Red Balloon services to ensure an adequate pipeline of students. Proper budgeting and efficient cost management. Monitoring cash balances with an appropriate level of reserves on hand.
<b>Cyber Security</b> - resulting in a safeguarding risk, data breach (also see below), failure to conform to regulation	Implementation of IT strategy that ensures compliance, ensuring hardware and software purchases can be centrally supervised. Training to ensure compliance with revised IT strategy. Improved multi-factor authentication procedures. Compliance with Government-backed “Cyber Essentials” framework as of October 2024.
<b>Loss of IT data and/or access to central systems</b> – resulting in confidential data loss and/or operational disruption including online provision.	Ensuring software and virus protection on devices are up-to-date, as well as restricted physical access. Appropriate password protection maintained and offsite/cloud backup in line with IT policies. Confidential personal information is identified and encrypted. A second and distinct data line maintained for RBAir. Practices reviewed and updated in line with “Cyber Essentials” requirements.

# Structure, governance and management

## Constitution

The Charity is registered as a charitable company limited by guarantee.  
The Charity is constituted under a Memorandum of Association dated 21 February 2005 and its charity registration number is 1109606.

## Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited to fulfil specific roles. Interviews take place and candidates who most closely match the selection criteria are invited to attend a trustees meeting as an observer. No person or external body other than the trustees are entitled to appoint trustees.

## Policies adopted for the induction and training of trustees

- i) All new trustees are invited to visit an existing Red Balloon Learner Centre in order to appreciate how it differs from a school and how it operates.
- ii) All new trustees meet with the Chair and the Finance Director. The Chair explains the aims of the Charity.
- iii) The Chair describes the history of the founding and development of Red Balloon, defines 'bullying' with examples of the kind of treatment to which students were subjected in mainstream school and which led to them refusing or becoming unable to attend. She expounds the five core principles governing the operation of the individual Learner Centres.
- iv) The Finance Director acquaints them with the financial basis of the Charity.
- v) The trustees are given the documents issued by the Charity Commission regarding the duties of trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".
- vi) All trustees are required to provide satisfactory DBS clearing, complete basic online PREVENT and Child Protection training, a Trustee Declaration of Interests and confirm that they are a suitable person to stand as a trustee.
- vii) The induction process includes meetings with the main contact staff relevant to their specific job role and other trustees. Final election and confirmation as a trustee is carried out at a full Trustees’ meeting.

# Structure, governance and management

## Organisational structure and decision making

- i) The Charity operates from its premises at Willow Lodge in Milton, Cambridge. The Director of Education and Finance Director oversee individuals with responsibility for the RBAir, RB-Worthing, RBET-Norfolk and RBET-Aylesbury provisions, development and fundraising, marketing and communications and finance.
- ii) Day-to-day decisions are made by the Director of Education and Finance Director, who will refer to the Chair of Trustees, the President or another trustee for advice or guidance if necessary.
- iii) The Board of Trustees meets formally approximately every six weeks, when they receive and discuss written reports from the Director of Education and Finance Director.
- iv) Major policy and project proposals are brought to the attention of the trustees by the Director of Education and Finance Director, discussed, and decisions made are minuted and subsequently implemented. There is a schedule of matters reserved for the board.
- v) At each meeting, the Chair asks the trustees to record any potential conflict of interest.

## Pay policy

A set of pay bands has been established which define a pay range for each group of staff, taking into account level of responsibility, qualifications and experience. Key management remuneration on appointment and any subsequent changes are authorised by the trustees. An appropriate local set of pay bands has been implemented at other locations. Performance reviews take place for all staff. Key management remuneration details are included in note 10.

## Fundraising standards information CA 162A

- Red Balloon Educational Trust (RBET) raises some funds from the public.
- I. RBET undertakes fundraising through our internal resources and we do not commission a professional fundraiser/commercial participator for these;
  - II. RBET is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or voluntary standard for fundraising in respect of activities on behalf of the charity;
  - III. RBET monitors fundraising activities via the board reports and via fortnightly meetings;
  - IV. RBET received no complaints during the year about activities for the purpose of fundraising;
  - V. RBET has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:
    - A. Unreasonable intrusion on a person's privacy;
    - B. Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
    - C. Placing undue pressure on a person to give money or other property.

# Structure, governance and management

## Compliance with the Code of Fundraising Practice

- The Charity is registered with the Fundraising Regulator to demonstrate its commitment to transparent charity management and adhering to the Code of Fundraising Practice. Supporters have the right to know that the Charity can be trusted to be open and honest and that they will be treated with care and respect. The Charity's fundraising promise is published on its website which explains what supporters can expect from it and what to do if they have any concerns.
- The data protection statement online has been expanded so supporters can see how the Charity manages and uses their data within the General Data Protection Regulations. They are invited to change the way the Charity communicates with them at any time. Donorfy Customer Relationship Management system is used to ensure that its donor data is held appropriately and securely. This forms an integral part of achieving readiness for growth.
- The Charity's fundraising activities continue to be largely focused on approaches to grant-making bodies as well as high net-worth individuals, but it has been developing its stewardship of individual donors, to encourage regular giving and community fundraising.

## Public benefit

- The Trustees have had regard to the Charity Commission guidance on Public Benefit. Red Balloon Learner Centres provide an 'intensive care' full-time education, mainly for children (11-18) who have been so seriously bullied or traumatised that they exclude themselves from school. There is no other purpose-made scheme to help this group of children recover and to restore them to normal life. They are provided with a safe environment with clear boundaries for behaviour and a bespoke full-time academic, pastoral and therapeutic programme.
- According to research carried out by the National Centre for Social Research in 2011 (Estimating the Prevalence of Young People Absent from School because of Bullying), of the approximately 3.1 million 11 to 15 year olds in England, about five in one thousand, or 16,500 children, have been bullied to the point that they have left the mainstream educational system.
- Experience in Red Balloon's Learner Centres and at RBAir causes us to believe that there is a need for much wider access in the UK to provision of the kind that Red Balloon offers. Red Balloon improves the skills and life opportunities of a group of socially isolated, anxious and ignored children. It contributes to stronger communities by identifying and addressing the problem of seriously bullied and traumatised children with the help of the community, and for the benefit of the community.

# Structure, governance and management

## Trustees' responsibilities

The Trustees (who are also Directors of Red Balloon Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP; make judgments and accounting estimates that are reasonable and prudent; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

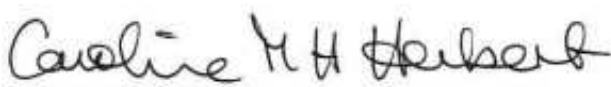
## Disclosure of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors In connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

## Auditor

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 29 May 2025 and signed on their behalf by:



**Caroline Herbert**

# Administrative details of the charity, its trustees and advisors

Charity registration number	1109606
Company registration number	05385341
Trustees and Directors	Dr Carrie M H Herbert, Chair (from 21 August 2023) & President Revd Prof Michael J Reiss Ms Ruth Loshak (appointed 22 August 2023) Ms Jennifer R Raine (resigned 11 November 2024) Mrs Janet Scotcher (appointed 30 April 2024, resigned 11 November 2024) Mr Nicholas H P Munday (resigned 22 July 2024) Ms Elizabeth A Laybourn (resigned 23 July 2024) Mr Ralph Burditt (appointed 30 April 2025)
Executive Officer	Director of Education: Mr Robert Watson (until 7 July 2024) Executive Head: Mr Jason Lewis (appointed 9 December 2024, left 7 May 2025)
Company Secretary	Dr Carrie M H Herbert
Principal/Registered office	Willow Lodge 37 High Street Milton Cambridge CB24 6DF
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ



Auditor's report and  
financial statements  
for the year ended  
31 August 2024



# Independent Auditor’s Report to the Members of Red Balloon Educational Trust

## Opinion

We have audited the financial statements of Red Balloon Learner Centre (the ‘charitable company’) for the year ended 31 August 2024 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

- In our opinion the financial statements:
- give a true and fair view of the state of the charitable company’s affairs as at 31 August 2024, incoming resources and application of resources, including its income and expenditure, for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees’ use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relation to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern and described in the relevant sections of this report.

# Independent Auditor’s Report to the Members of Red Balloon Educational Trust

## Other information

The other information comprises the information included in the trustees’ annual report, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees’ report, which includes the directors’ report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors’ report included within the trustees’ report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company’s financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies’ regime and take advantage of the small companies’ exemptions in preparing the directors’ report and from the requirement to prepare a strategic report.

# Independent Auditor’s Report to the Members of Red Balloon Educational Trust

## Responsibilities of trustees

As explained more fully in the trustees’ responsibilities statement set out on page 34, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of no-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above, to detect material misstatement in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. This included employment law, financial reporting and health & safety.

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness,
- We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were correctly applied to the financial statements.
- We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- We agreed the financial statement disclosures to underlying supporting documentation, made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation and discussed whether there had been any known breaches of laws and regulations in order to consider any possible further considerations or impact upon the Charity.
- We reviewed the risk management processes and procedures including a review of the Board assurance reporting.

# Independent Auditor’s Report to the Members of Red Balloon Educational Trust

## Auditor responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of our report

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

**Shaun Jordan ACA** (Senior Statutory Auditor)

for and on behalf of  
**PRICE BAILEY LLP**  
Chartered Accountants  
Statutory Auditors  
Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

Date:



**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	Restricted £	Unrestricted £	2024 Total £	2023 Total £
<b>INCOME</b>					
Donations and grants	2	244,252	269,784	514,036	429,166
Charitable activities	3	-	2,684,447	2,684,447	2,389,899
Other trading activities	4	-	2,866	2,866	2,581
Investment income	5	-	126,794	126,794	82,518
<b>Total income</b>		<b>244,252</b>	<b>3,083,891</b>	<b>3,328,143</b>	<b>2,904,164</b>
<b>EXPENDITURE</b>					
Costs of raising funds	6	(27,988)	(55,934)	(83,922)	(76,186)
Charitable activities	6	(96,331)	(2,987,214)	(3,083,545)	(2,545,133)
<b>Total expenditure</b>		<b>(124,319)</b>	<b>(3,043,148)</b>	<b>(3,167,467)</b>	<b>(2,621,319)</b>
<b>Net income in the year and net movement in funds before gains and losses on investments</b>		<b>119,933</b>	<b>40,743</b>	<b>160,676</b>	<b>282,845</b>
Net losses on investments		-	-	-	-
<b>Net income in the year</b>		<b>119,933</b>	<b>40,743</b>	<b>160,676</b>	<b>282,845</b>
Transfer between funds		-	-	-	-
<b>Net movement in funds</b>		<b>119,933</b>	<b>40,743</b>	<b>160,676</b>	<b>282,845</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	22b	217,582	2,808,710	3,026,292	2,743,447
<b>Total funds carried forward</b>	22a	<b>337,515</b>	<b>2,849,453</b>	<b>3,186,968</b>	<b>3,026,292</b>

All amounts relate to continuing activities of the charitable company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 45 to 64.

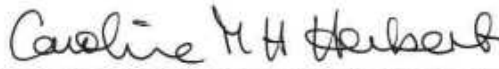
**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**REGISTERED COMPANY NUMBER: 05385341**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2024**

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Intangible fixed assets	13	-	-
Tangible fixed assets	14	1,780,554	1,724,119
Programme related investments	15	1,272,141	1,272,141
<b>TOTAL FIXED ASSETS</b>		<b>3,052,695</b>	<b>2,996,260</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	16	351,331	109,023
Cash at bank and in hand		1,777,349	1,597,885
<b>TOTAL CURRENT ASSETS</b>		<b>2,128,680</b>	<b>1,706,908</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	17	(624,155)	(263,910)
<b>NET CURRENT ASSETS</b>		<b>1,504,525</b>	<b>1,442,998</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,557,220</b>	<b>4,439,258</b>
Creditors: amounts falling due after more than one year	18	(1,350,252)	(1,392,966)
Provisions for liabilities	19	(20,000)	(20,000)
<b>TOTAL NET ASSETS</b>		<b>3,186,968</b>	<b>3,026,292</b>
<b>FUNDS OF THE CHARITY</b>			
Unrestricted funds:			
-General funds	22a	1,234,762	1,238,346
-Designated funds	22a	1,671,428	1,570,364
Restricted funds	22a	280,778	217,582
<b>TOTAL FUNDS</b>		<b>3,186,968</b>	<b>3,026,292</b>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 45 to 64 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 29 May 2025 and signed on their behalf by:

  
Caroline Herbert - Trustee

  
M J Reiss - Trustee

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**REGISTERED COMPANY NUMBER: 05385341**  
**STATEMENT OF CASH FLOWS**  
**AS AT 31 AUGUST 2024**

	Notes	2024	2023
		£	£
<b>Cash Flows from Operating Activities</b>			
Net cash provided by operating activities	26	271,910	264,552
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(144,790)	(96,785)
Proceeds from sales of property, plant and equipment		-	3,419
Proceeds from sale of programme related investment		-	700,000
Income in relation to investments		96,006	82,000
<b>Net cash provided by / (used in) Investing Activities</b>		<b>(48,784)</b>	<b>688,634</b>
<b>Cash Flows from Financing Activities</b>			
Repayments of borrowing		(43,662)	(465,892)
<b>Net cash used in Financing Activities</b>		<b>(43,662)</b>	<b>(465,892)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>179,464</b>	<b>487,204</b>
Cash and cash equivalents at the beginning of the reporting period	27	1,597,885	1,110,681
<b>Cash and cash equivalents at the end of the reporting period</b>	27	<b>1,777,349</b>	<b>1,597,885</b>

The attached notes on pages 45 to 64 form part of these financial statements.

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Charities SORP (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Charity is exempt from the requirement to prepare consolidated financial statements as its subsidiary was non trading during the year and therefore its inclusion is not considered to be material for the purposes of giving a true and fair view.

**b) Going Concern**

The Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**c) Legal status of the Charity**

The Charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 35. The number of members during the year was 7 (2023: 5). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity (2023: £10 per member).

**d) Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.



**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**e) Income**

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 17.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations, grants and gifts are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates and recognised in income in the year. Any Gift Aid amounts not received by the year end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case-by-case basis as the earlier of the date on which:

- the Charity is aware that probate has been granted; and
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**f) Expenditure**

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs have been allocated between governance costs and other support costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff time and use of the resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**g) Intangible fixed assets and amortisation**

Intangible fixed assets are valued at historical cost. Amortisation is provided on all intangible fixed assets on a straight-line basis and are written off over their useful economic life. Amortisation rates are as follows:

Website	25% straight line
---------	-------------------

Assets are assessed for impairment at each balance sheet date. Any impairment value is recognised immediately in the statement of financial activities.

**h) Tangible fixed assets and depreciation**

Tangible fixed assets are valued at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual values, over their expected useful lives as follows:

Office equipment	33% straight line
Fixtures & fittings	20% straight line
Computer equipment	33% straight line
Leasehold improvements	10% straight line or over the lease term if less than 10 years
Buildings	2% straight line
Freehold land	Not depreciated

Assets are reviewed for any indications of impairment at each balance sheet date.

**i) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

**j) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.



**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**k) Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objects of the organisation and are therefore included at the amount received and are not discounted.

Where the Charity has a legal obligation, a dilapidations provision is created. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease.

**l) Financial instruments**

The Charity mostly has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value. The Charity had also held some quoted investments with Investec which were revalued to market value at each balance sheet date; gains or losses were taken to the income statement as detailed in note 16. When the investments are expected to be held for a period greater than 12 months, they are classified in the balance sheet under Fixed Assets. Included within creditors are property mortgages which are valued on the basis of cost using the effective interest rate method. Further details are in note 18.

**m) Pensions**

Employees of the Charity are entitled to join a defined contribution pension scheme, the assets of which are administered by NEST. The charity contribution is restricted to the contributions disclosed in note 11.

**n) Operating leases**

Operating leases are recognised over the period of which the lease falls due on a straight-line basis.

**o) Taxation**

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**p) Programme related investments**

Programme related investments consist of properties rented to Red Balloon Centres. They are held at cost less any provision for impairment.

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**q) Significant Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These include depreciation, debtor recoverability and bad debts. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2 Donations and grants**

	2024 £	2023 £
Donations	119,865	145,148
Donation from subsidiary - Red Balloon of the Air	30,877	-
Grants	363,294	284,018
	<u>514,036</u>	<u>429,166</u>

Included within donations received are restricted funds of £41,029 (2023: £46,529) and unrestricted funds of £78,836 (2023: £98,619). The donation from subsidiary of £30,877 (2023: £Nil) was unrestricted. Included within grants received are restricted funds of £203,223 (2023: £168,018) and unrestricted funds of £160,071 (2023: £116,000).

**3 Income from Charitable Activities**

	2024 £	2023 £
Levies and recharges to Red Balloon Centres	32,356	45,084
Teaching and support of bullied children	2,652,091	2,344,815
	<u>2,684,447</u>	<u>2,389,899</u>

All income from charitable activities was attributable to unrestricted funds in both the current and prior year.

**4 Other trading activities**

	2024 £	2023 £
Fundraising events	2,866	2,581

All income included above related to unrestricted income in both current and prior year.

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**5 Investment income**

	2024 £	2023 £
Rents received	66,000	60,075
Deposit account interest	60,794	22,443
	<u>126,794</u>	<u>82,518</u>

All income included within investment income relates to unrestricted income in both the current and prior year.

**6 Analysis of expenditure by activity – current year**

	Direct costs £	Grant funding £ (note 9)	Support costs £ (note 7)	2024 costs £
Costs of raising funds	55,934	-	27,988	83,922
<b>Charitable activities:</b>				
Advance the education of students at Red Balloons	261,176	34,042	161,086	456,304
Teaching and support of bullied children	2,466,471	-	160,770	2,627,241
	<u>2,727,647</u>	<u>34,042</u>	<u>321,856</u>	<u>3,083,545</u>
	<u>2,783,581</u>	<u>34,042</u>	<u>349,844</u>	<u>3,167,467</u>

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**Analysis of expenditure by activity – prior year**

Direct	Direct costs £	Grant funding £ (note 9)	Support costs £ (note 7)	2023 costs £
Costs of raising funds	49,717	-	26,469	76,186
<b>Charitable activities:</b>				
Advance the education of students at Red Balloons	238,801	25,596	148,906	413,303
Teaching and support of bullied children	1,976,340	-	155,490	2,131,830
	<u>2,215,141</u>	<u>25,596</u>	<u>304,396</u>	<u>2,545,133</u>
	<u>2,264,858</u>	<u>25,596</u>	<u>330,865</u>	<u>2,621,319</u>

Expenditure in 2024 related to restricted funds was £124,319 (2023: £179,525) and unrestricted funds was £3,043,148 (2023: £2,441,794).

**7 Analysis of support costs**

	2024 £	2023 £
Finance and professional	125,160	100,505
Bank charges	191	360
Communication	23,474	21,965
Insurance	28,434	34,291
Rent, rates and mortgage interest	21,915	21,994
Repairs and maintenance	20,378	30,192
General office expenses	9,814	10,101
Other staff costs	91,946	90,630
Governance costs (note 8)	28,532	20,827
	<u>349,844</u>	<u>330,865</u>

**8 Analysis of governance costs**

	2024 £	2023 £
Auditors' fees		
- for audit services	17,400	16,200
- for non-audit services	11,132	4,627
	<u>28,532</u>	<u>20,827</u>

All expenditure on governance costs is spent from unrestricted funds in 2024 and 2023.



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**9 Grants to individuals**

	Number	Total 2024 £	Number	Total 2023 £
Bursaries	5	34,042	5	25,596

The average bursary per student in 2024 was £6,808 (2023: £5,119).

**10 Analysis of staff costs and key management personnel**

	2024 £	2023 £
Wages and salaries	2,171,016	1,834,430
Social security costs	187,094	154,055
Pension	45,667	37,987
	<u>2,403,777</u>	<u>2,026,472</u>

The average monthly head count during the year was as follows:

	2024 Number	2023 Number
Charitable activities	93	86

The number of higher paid employees was as follows:

	2024 Number	2023 Number
In the band £60,000 - £70,000	1	1

The employers pension contributions in relation to the above higher paid employees was £1,000 (2023: £1,321).

The charity considers its key management personnel to comprise of 7 people (4 people in the prior year). Total aggregate remuneration of key management personnel was £334,195 (2023: £257,102).

Total termination payments made were £7,811 (2023: £1,391).

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. Expenses paid to the trustees in the year totalled £Nil (2023: £234). In the prior year expenses were in relation to one trustee being reimbursed for their travel expenses.

**11 Pension costs**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £45,667 (2023: £37,987). Pension contributions of £10,718 (2023: £Nil) were payable to the fund at the balance sheet date.

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**12 Net income**

	2024 £	2023 £
Net income is stated after charging:		
Amortisation of intangible assets owned by the charity	-	5,167
Depreciation of charitable assets owned by the charity	88,587	49,994
Loss on sale of fixed assets	-	82
Operating lease payments: land and buildings	24,904	28,521
Operating lease payments: other	5,962	1,315
Auditors remuneration:		
- for audit services	17,400	16,200
- for non-audit services	2,580	4,627

**13 Intangible fixed assets**

	Website £
<b>Cost:</b>	
At 1 September 2023	20,670
Additions	-
At 31 August 2024	<u>20,670</u>
<b>Amortisation:</b>	
At 1 September 2023	20,670
Charge for the year	-
At 31 August 2024	<u>20,670</u>
<b>Net book value:</b>	
At 31 August 2023	-
At 31 August 2024	<u>-</u>



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**14 Tangible fixed assets**

	Land and buildings £	Leasehold improvements £	Fixtures & fittings, office and computer equipment £	Total £
<b>Cost:</b>				
At 1 September 2023	1,612,961	50,043	123,241	1,786,245
Additions	-	876	145,224	146,100
Disposals	-	-	(1,079)	(1,079)
At 31 August 2024	1,612,961	50,919	267,386	1,931,266
<b>Depreciation:</b>				
At 1 September 2023	27,080	7,182	27,864	62,126
Charge for the year	22,942	5,353	60,292	88,587
Eliminated on disposals	-	-	(1,079)	(1,079)
At 31 August 2024	50,022	12,535	87,077	149,634
<b>Net book value:</b>				
At 31 August 2023	1,585,881	42,861	95,377	1,724,119
At 31 August 2024	1,562,939	38,385	179,230	1,780,554

Outstanding mortgages of £887,557 (2023: £908,053) in relation to the properties are secured on the properties included in land and buildings of the Charity.

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**15 Programme Related Investments**

**Properties rented to other Red Balloon Centres:**

	£
<b>Cost or valuation:</b>	
At 31 August 2023	1,272,141
At 31 August 2024	1,272,141
<b>Net book value:</b>	
At 31 August 2023	1,272,141
At 31 August 2024	1,272,141

**Programme related investments represented by:**

	2024 £	2023 £
220-222 Kings Road, Reading	545,762	545,762
57 Warkworth Terrace, Cambridge	726,379	726,379
<b>Total</b>	<b>1,272,141</b>	<b>1,272,141</b>

Outstanding mortgages of £494,909 (2023: £517,843) in the Charity in relation to the properties are secured on the properties listed above.

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**16 Debtors: amounts falling due within one year**

	2024 £	2023 £
Trade debtors	263,864	9,330
Amounts owed by other Red Balloon Centres	22,402	15,082
Prepayments and accrued income	64,970	84,309
Other debtors	95	302
	<u>351,331</u>	<u>109,023</u>

**17 Creditors: amounts falling due within one year**

	2024 £	2023 £
Trade creditors	33,628	36,491
Amounts owed to group undertakings	-	24,023
Amounts owed to other Red Balloon centres	10,718	1,417
Social security and other taxes	41,606	39,836
Other creditors and accruals	57,359	50,630
Deferred income	437,898	67,851
Mortgages due within one year	42,946	43,662
	<u>624,155</u>	<u>263,910</u>

**Deferred income**

	2024 £	2023 £
Deferred income at 1 September	67,851	209,404
Resources deferred during the year	437,898	67,851
Amounts released from previous years	(67,851)	(209,404)
	<u>437,898</u>	<u>67,851</u>
Deferred income at 31 August		

Deferred income relates to school autumn term fees, invoiced in advance of £434,898 (2023: £64,851) and rent invoiced a month in advance of £3,000 (2023: £3,000), both being unrestricted income.

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**18 Creditors: amounts falling due after more than one year**

	2024 £	2023 £
Mortgages	1,339,520	1,382,234
Amounts owed to other Red Balloon centres	10,732	10,732
	<u>1,350,252</u>	<u>1,392,966</u>

Creditors: amounts falling due after more than one year include amounts not wholly repayable within 5 years as follows:

	2024 £	2023 £
Due within 2-5 years	282,343	312,917
Due after more than 5 years	1,067,909	1,080,049
	<u>1,350,252</u>	<u>1,392,966</u>

Mortgages are secured on the properties concerned. In addition, there is a debenture in relation to the Milton property mortgage, which contains a floating charge and a negative pledge.

The mortgages for the Cambridge and Norwich properties are with The Cambridge Building Society, the Reading property with Saffron Building Society and the Milton property with CAF Bank. The mortgages are interest only, except for the Milton property and 53% (2023: 58%) of the balance outstanding at the year end on the Cambridge property.

The rates at the year end were as follows:

	2024 %	2023 %
76 Earlham Road, Norwich	8.64	8.64
220-222 Kings Road, Reading	8.79	8.79
57 Warkworth Terrace, Cambridge	8.64	8.64
37 High Street, Milton	4.23	4.23

The mortgage interest on the Milton property is fixed for the first five years (commencement 6 April 2022). All other mortgages are on variable interest rates.

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**19 Provisions for liabilities**

	Dilapidations	
	2024	2023
	£	£
At 1 September	20,000	-
Added in the current period	-	20,000
At 31 August	<u>20,000</u>	<u>20,000</u>

**20 Capital commitments**

As at 31 August 2024 the Charity had no capital commitments to disclose (2023: £15,768).

**21 Operating leases - lessee**

Total future minimum lease payments under non-cancellable operating leases are as follows:

**Land and Buildings**

	2024	2023
	£	£
Within one year	29,197	24,904
Within two to five years	112,309	123,506
After more than five years	135,912	153,912
	<u>277,418</u>	<u>302,322</u>

**Other**

	2024	2023
	£	£
Within one year	5,962	-
Within two to five years	4,655	-
	<u>10,617</u>	<u>-</u>

Included within other operating lease commitments are photocopier leases in the name of the charity.

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**22a Funds analysis – current year**

	Balance at 1/9/2023 £	Income £	Expenditure £	Transfers £ (note 24c)	Balance at 31/8/2024 £
General Funds	1,238,346	3,083,891	(3,043,148)	(44,327)	1,234,762
Designated Funds:					
- Intangible & tangible fixed assets	816,066	-	-	78,130	894,196
- Programme related investments	<u>754,298</u>	<u>-</u>	<u>-</u>	<u>22,934</u>	<u>777,232</u>
<b>Total unrestricted funds</b>					
<b>Restricted funds</b>					
Bursaries	59,826	197	(34,042)	-	25,981
Funding for staff training	28,128	-	(934)	-	27,194
Funding for expansion of the Red Balloon provision	7,714	81,707	(2,886)		86,535
Other restricted donations for IT and other equipment, teachers, interns etc	119,497	137,348	(86,140)	(56,737)	113,968
37 High Street, Milton refurbishment	<u>2,417</u>	<u>25,000</u>	<u>(317)</u>	<u>-</u>	<u>27,100</u>
<b>Total restricted funds</b>	<u>217,582</u>	<u>244,252</u>	<u>(124,319)</u>	<u>(56,737)</u>	<u>280,778</u>
<b>Total funds</b>	<u>3,026,292</u>	<u>3,328,143</u>	<u>(3,167,467)</u>	<u>-</u>	<u>3,186,968</u>



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**22b Funds analysis – prior year**

Balance at	01/09/2022 £	Income £	Expenditure £	Transfers £	Balance at 31/8/2023 £
General Funds	754,715	2,689,500	(2,441,677)	235,808	1,238,346
Designated Funds:					
- Intangible & tangible fixed assets	390,589	-	-	425,477	816,066
- Programme related investments	1,375,760	-	-	(621,462)	754,298
<b>Total unrestricted funds</b>	<b>2,521,064</b>	<b>2,689,500</b>	<b>(2,441,677)</b>	<b>39,823</b>	<b>2,808,710</b>
<b>Restricted funds</b>					
Bursaries	85,412	10	(25,596)	-	59,826
Funding for staff training	30,111	-	(1,983)	-	28,128
Funding to further develop and expand the Red Balloon provision	17,913	23,265	(33,464)	-	7,714
Other restricted donations for IT and other equipment, teachers, interns etc	35,447	191,272	(96,726)	(10,496)	119,497
37 High Street, Milton property & refurbishment	53,500	-	(21,756)	(29,327)	2,417
<b>Total restricted funds</b>	<b>222,383</b>	<b>214,547</b>	<b>(179,525)</b>	<b>(39,823)</b>	<b>217,582</b>
<b>Total funds</b>	<b>2,743,447</b>	<b>2,904,047</b>	<b>(2,621,202)</b>	<b>-</b>	<b>3,026,292</b>

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**22c Funds analysis – fund types**

During the year, £56,737 (2023: £39,823) was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon purchase of the assets. This included £45,740 for computer equipment, and £10,997 for equipping the new Norfolk Centre.

**Restricted Funds**

- Bursaries fund – Grants and donations received to enable the charity to directly support individual students at Red Balloon of the Air and Red Balloon Learner Centres.
- Staff training and development fund – Funds awarded for general staff development and for the staff conference.
- Red Balloon Development and Expansion fund – funds awarded to help with the growth and development of Red Balloon of the Air and the Red Balloon Learner Centres, including grants totalling £26,706 (2023: £6,188) and £10,000 (2023: £Nil) specifically for the establishment of new Centres in Aylesbury and Chelmsford respectively, as well as £45,000 (2023: £Nil) for new centre project management.
- Other restricted donations fund – Individual grants and donations for specific resources. These have included a significant contribution towards the equipping of the Norfolk centre, as well as funding teaching, therapist and management posts across the organisation.
- 37 High Street, Milton property & refurbishment – A grant of £25,000 received towards the development of the garage into a student therapy space.

**Designated Funds used for the purposes of fixed assets**

- These represent the net book value of intangible fixed assets, tangible fixed assets and of programme related investments at the year end, after deducting outstanding mortgages due on the properties.

**23a Analysis of net assets by funds – current year**

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,780,554	1,780,554
Programme related investments	-	1,272,141	1,272,141
Current assets	286,280	1,842,400	2,128,680
Creditors due within one year	-	(624,155)	(624,155)
Creditors due in more than one year	-	(1,350,252)	(1,350,252)
Provisions for liabilities	-	(20,000)	(20,000)
	<b>286,280</b>	<b>2,900,688</b>	<b>3,186,968</b>

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**23b Analysis of net assets by funds – prior year**

	Restricted funds	Unrestricted funds	Total funds
Charity	£	£	£
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,724,119	1,724,119
Programme related investments	-	1,272,141	1,272,141
Current assets	217,582	1,489,326	1,706,908
Creditors due within one year	-	(263,910)	(263,910)
Creditors due in more than one year	-	(1,392,966)	(1,392,966)
Provisions for liabilities	-	(20,000)	(20,000)
	<u>217,582</u>	<u>2,808,710</u>	<u>3,026,292</u>

**24 Events after the balance sheet date**

Post year end, the Charity have listed 57 Warkworth Terrace, Cambridge, CB11EE on the property market.

**25 Related party transactions**

**Analysis of Red Balloon related parties – current year**

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon Norwich	22,402	-	44,197	-
Red Balloon Reading	-	-	30,671	-
Red Balloon Cambridge	-	10,732	49,840	-
Red Balloon NW London	-	-	28,184	-
	<u>22,402</u>	<u>10,732</u>	<u>152,892</u>	<u>-</u>

**Analysis of Red Balloon related parties – prior year**

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	-	24,023	-	10,349
Red Balloon Norwich	15,082	-	61,336	-
Red Balloon Reading	-	39	41,273	-
Red Balloon Cambridge	-	12,071	59,340	-
Red Balloon NW London	-	40	93,666	-
	<u>15,082</u>	<u>36,173</u>	<u>255,615</u>	<u>10,349</u>

Red Balloon of the Air was a fully owned subsidiary for the full year (2023: full year). On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, were transferred to its parent company, Red Balloon Educational Trust except for the Danbury property lease which was transferred during the 2022-23 financial year. As a result, Red Balloon of the Air is now dormant with a final donation of £30,877 (2023: £Nil) being transferred to the parent charity during the current financial year. There was no balance owed to Red Balloon of the Air at the year-end (2023: £24,023).

The property at 13 Kenton Road, Harrow, included as programme related investments under current assets in the prior year, was sold to Red Balloon Learner Centre NW London for £700,000 in September 2022 (see note 16).

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**25 Related party transactions (continued)**

In March 2022, the Charity entered into a lease agreement for a property at 52-54 Windsor Road, Worthing with Solewild Ltd, a company in which Mr. N Munday, who was appointed as a Trustee of Red Balloon Educational Trust on 5 October 2022, is the sole Director. During the year the Charity incurred expenditure totaling £18,999 (2023: £18,690) in relation to Solewild Ltd, which includes rent of £15,839 (2023: £15,795) and £3,161 (2023: £2,895) for other Worthing property-related costs, including insurance. At the year end, a balance of £Nil (2023: £Nil) was owed by the Charity to Solewild Ltd, included in trade creditors and a balance of £Nil (2023: £2,292) was owed by Solewild Ltd to the Charity, included in trade debtors. Prepayments of £4,525 (2023: £3,483) and an accrual for the lease incentive of £21,536 (2023: £15,293) are also recorded at the year end.

During the year, sums totalling £4,300 (2023 - £3,000) in grants and donations were received from organisations linked to Tim Ingles, who has a family connection with one of the trustees of RBET. There were no amounts outstanding from these organisations at the year end (2023 - £nil).

There are no other related party transactions to note.

**26 Reconciliation of net expenditure to net cash flow from operating activities**

	2024 £	2023 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>160,676</b>	<b>282,902</b>
<b>Adjustments for:</b>		
Amortisation charges	-	5,167
Depreciation charges	88,587	49,994
Loss / (Net profit) on disposal of tangible fixed assets	-	82
Impairment of programme related investments	-	-
Losses on investments	-	-
Investment management charges	-	-
Income in relation to investments	(126,794)	(82,000)
Increase in debtors	(242,308)	104,903
Increase in creditors	391,749	(116,496)
Increase in provisions	-	20,000
<b>Net cash provided by operating activities</b>	<b><u>271,910</u></b>	<b><u>264,552</u></b>



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**27 Analysis of changes in net debt**

	Balance at 31/8/23 £	Cash flows £	Other non- cash changes £	Balance at 31/8/2024 £
<b>Cash and cash equivalents:</b>				
Cash	1,597,885	179,464	-	1,777,349
<b>Borrowings:</b>				
Debt due within one year	(43,662)	43,662	(42,946)	(42,946)
Debt due after one year	(1,382,234)	-	42,714	(1,339,520)
	(1,425,896)	43,662	(232)	(1,382,466)
<b>Total</b>	<b>171,989</b>	<b>223,126</b>	<b>(232)</b>	<b>394,883</b>

Borrowings relate to mortgages on the 4 (2023: 4) properties owned by Red Balloon Educational Trust.

Red Balloon Educational Trust  
(a company limited by guarantee)

Annual Report and Financial Statements  
for the year ended 31 August 2024

Registration No. 05385341  
(England and Wales)  
Charity No. 1109606

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